

HOUSE BILL 991

By Brooks K

AN ACT to amend Tennessee Code Annotated, Title 9,
Chapter 21 and Title 13, Chapter 16, relative to
local governments.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 9-21-105, is amended by deleting subdivision (21)(B)(i) in its entirety and by substituting instead the following new language:

(i) "Business park," which includes lands and rights, easements and franchises relating thereto, and may include roads and streets, water, sewer, electric and other utilities, landscaping and related elements as required for the orderly development and use of corporate or professional office space by one (1) or more commercial, financial or service business, and such appurtenant land for necessary incidental use. "Business park" does not include a retail operation except for an incidental retail use. A "business park" shall contain not less than five (5) acres of land. The building finance committee in the industrial development division of the department of economic and community development is authorized and empowered to determine whether a local government shall have the right to engage in any or all of the rights and privileges accompanying such a public works project. Before a local government may undertake the financing of such a public works project, it shall make the following determination:

(a) There are adequate property values and suitable financial conditions so that the total bonded indebtedness of the local government, solely for this authorized purpose and those other purposes authorized by title 7, chapter 55 and title 13, chapter 16, shall not exceed ten percent (10%) of the total assessed valuation of all the property in the local government ascertained by the last completed assessment at the time of the issuance of such bonds; and

(b) The project is well conceived, has a reasonable prospect of success, will provide economic development and employment, will tend to encourage businesses to locate there and will not become a burden upon the taxpayers of the local government;

SECTION 2. Tennessee Code Annotated, Section 9-21-105, is further amended by deleting subdivision (21)(D) in its entirety and by substituting instead the following new language:

(D) The total pledge of full faith and credit of any local government related to the project shall not exceed ten percent (10%) of the total assessed valuation of all property in the local government, ascertained by the last completed assessment at the time of issuance of the obligations. In any resolution pledging the full faith and credit and unlimited taxing power of any local government to secure any obligations related to a public works project, the governing body of the local government shall state that the project being considered is well conceived, has a reasonable prospect for success, will provide proper economic development and employment, and will not likely become a burden on the taxpayers of the local government;

SECTION 3. Tennessee Code Annotated, Section 9-21-402, is amended by deleting subsection (c) in its entirety and by substituting instead the following new language:

(c) The total pledge of full faith and credit of any local government related to the project shall not exceed ten percent (10%) of the total assessed valuation of any property in the local government, ascertained by the last completed assessment at the time of issuance of the obligations. In any resolution pledging the full faith and credit and unlimited taxing power of any local government to secure any obligations related to the project, the governing body of the local government shall state that the project being considered is well conceived, has a reasonable prospect for success, will provide proper economic development and employment, and will not likely become a burden on the taxpayers of the local government.

SECTION 4. This act shall take effect July 1, 2013, the public welfare requiring it.